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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 30 September 1978 CG NIDC 78/229

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**NATIONAL SECURITY INFORMATION**

Unauthorized Disclosure Subject to Criminal Sanctions

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State Dept. review completed

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National Intelligence Daily Cable for Saturday, 30 September 1978

The NID Cable is for the purpose of informing senior US officials.

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## ISRAEL: Politics After Vote

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[ ] The Knesset's approval of the Camp David accords is a major personal victory for Israeli Prime Minister Begin and a broadening of political support for his leadership on peace issues. Begin, however, paid a significant political price for his victory. A sizable number of Begin's traditional supporters vociferously opposed the accords, and their opposition has reinforced the Prime Minister's already strong reluctance to consider new concessions on delicate West Bank issues.

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[ ] The approval of the accords by more than a two-thirds majority of the Knesset reflects the view of most Israelis that peace with Egypt is worth the "painful concessions" involved in abandoning airbases and settlements in Sinai.

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[ ] The hardliners' concerns, shared even by Labor Party leaders and others supporting the accords, focus on possible precedents that removing the Sinai settlements and returning to the pre-June 1967 border with Egypt could set for future negotiations over the West Bank and Golan Heights.

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[ ] Many Israelis are equally apprehensive that Begin's agreement to "full autonomy" for the West Bank could eventually lead to an independent Palestinian state, anathema to almost all Israelis. Many ideologues in the Herut and Laam factions in Begin's dominant Likud bloc, and Likud's closest coalition ally, the National Religious Party, believe Begin has betrayed them over central issues concerning the West Bank, part of the biblical "land of Israel."

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[ ] The US Embassy in Tel Aviv doubts that the opponents of the accords threaten the stability of Begin's government at present. Whether they represent a long-term political threat to Begin could be indicated by the moves of other Likud members who did not support Begin. These men include speaker of the Knesset Yitzhak Shamir, chairman of the Knesset's Foreign Affairs and Security Committee Moshe Arens, deputy minister in Begin's office Yoram Aridor, and foreign information adviser Zalman Shoval.

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[ ] According to the US Embassy, the strident outcries from some of Begin's longtime supporters have taken a heavy

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psychological toll on him. Their opposition has left Begin little room in the short term even for tactical maneuvering on West Bank issues.

25X1 [redacted] Begin may seek to turn the opposition to his tactical advantage by arguing that the US must recognize his domestic vulnerabilities and not push for "unreasonable" concessions on the ticklish West Bank - Palestinian complex of issues. Begin already has laid the groundwork for a tough negotiating stance by emphasizing repeatedly the tactical nature of his concessions at the summit and his determination not to abandon the West Bank.

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LEBANON: Another Truce

25X1 [redacted] *The fighting in Beirut between Christian militiamen and Syrian troops eased yesterday morning. Lebanese President Sarkis and Phalange Chief Pierre Jumayyil are attempting to arrange a firmer truce, but Sarkis' ability to lead the country is being increasingly questioned. Reaction to President Carter's comments on Lebanon has been sparse.*

25X1 [redacted] A Phalange leader told the US Embassy yesterday that Sarkis, Jumayyil, and the nominal Lebanese commander of the Arab Deterrent Force had agreed Thursday on a plan to deal with the current round of fighting. The Lebanese will ask the Syrians to consolidate their positions in some areas of East Beirut, and Lebanese Army units are to take up positions in the area. The Phalange leader said he believed that the Syrians would accept the plan and that the fighting could be brought under control.

25X1 [redacted] Giving the Lebanese Army a greater role in Beirut is one way of separating the Maronite militias and the Syrian forces. The Army, however, is weak and unable to impose its will on the warring groups, and all the parties would have to approve its use. Muslims oppose having many Army units in Beirut because they consider the Army to be Maronite-dominated.

25X1 [redacted] The Lebanese press has highlighted President Carter's press conference statements on Lebanon, but most Lebanese leaders have not yet commented. Hardline Maronite leader Camille Shamun issued a statement favoring an international conference on Lebanon but criticized the US for not acting earlier.

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[ ] The Syrian media and political leaders have not yet commented publicly. The Syrians may be willing to attend a conference on the Lebanese crisis but not if Israel and Egypt participate. They and the Lebanese Government oppose any direct talks with Israel. The Syrians believe Israel's goal in Lebanon is to force them out of the country and have a Maronite-dominated state allied with Israel.

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[ ] A Syrian diplomat in Europe told US officials on Tuesday that the Syrians believe Egypt has no constructive role to play in Lebanon. He criticized Egyptian Foreign Minister Butrus Ghali for commenting that Egypt might participate in any future talks about Lebanon. The Syrians probably suspect that Egypt also wants to reduce their influence in Lebanon.

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#### WEST BANK: Mayors' Statement

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[ ] Several West Bank mayors and notables yesterday publicly rejected the Camp David agreements and reaffirmed their support for the Palestine Liberation Organization. Their statement, the first by a group of West Bank leaders, also called for the return of East Jerusalem to Arab control and the establishment of an independent Palestinian state.

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[ ] Despite the hard line of the statement--the work of PLO sympathizers--the US Consulate in Jerusalem believes that some West Bank notables are giving consideration to the Camp David framework and hoping the Jordanians eventually become involved in negotiations that they could join.

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UK: Labor Party Conference

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*[redacted] //British Prime Minister Callaghan will try to make the annual Labor Party conference, which begins Monday, a media event aimed as much at the voting public as the party faithful gathered in Blackpool. He will try to keep the conference as harmonious as possible, but issues will come to the surface that could damage party unity, threaten the government, and upset Callaghan's tactics.//*

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*[redacted] //The government's incomes policy, particularly the 5-percent ceiling on wage increases, will be the single most important--and potentially divisive--topic. Callaghan and Chancellor of the Exchequer Healey will aim to gain party support for this measure, which they hope will protect and strengthen the fragile economy in the coming months.//*

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*[redacted] //The trade unions, a major source of campaign funds and heavily represented at the conference, oppose the pay norm. Several unions and Labor Party organizations will attempt to introduce motions condemning the pay policy as well as the government's economic record over the past four years. The National Executive, the Labor Party's ruling organ outside Parliament, will consider this weekend whether to accept a resolution critical of the wage ceiling.//*

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*[redacted] //If the Executive accepts the resolution, the conference will consider it; should the conference adopt the resolution, Callaghan would be seriously embarrassed and his pay policy would suffer a blow. A strike by Ford auto workers, which began this week, is the first major challenge to the policy.//*

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*[redacted] //The controversy caused by the recent revelation that British oil companies violated sanctions against Rhodesia may also be aired at the conference. The party's left wing is*

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pushing the issue. Although many senior party officials would prefer not to have this sensitive topic aired in public, they would make little effort to stop it from reaching the conference floor.//

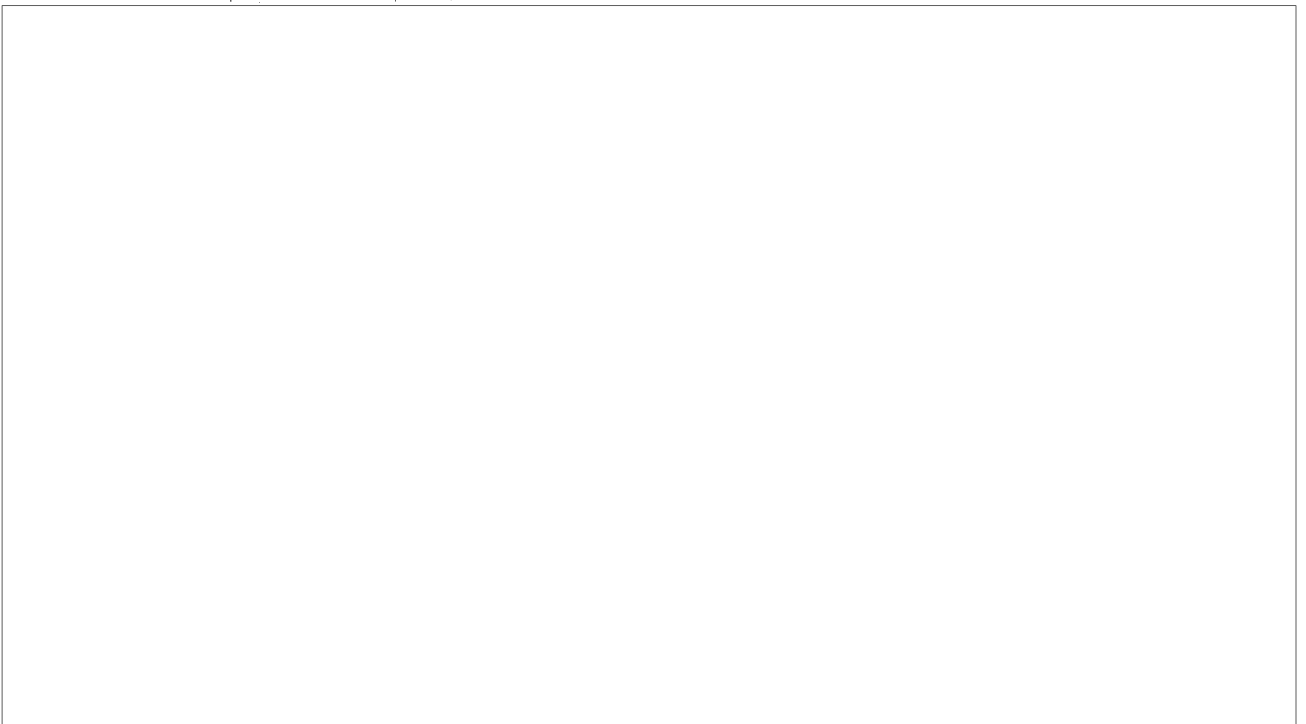
//The party leadership will try to contain the debate by pointing out that investigations are already under way and by focusing as much as possible on the oil companies involved rather than on former ministers who were in office at the time, many of whom are still prominent in the party.//

//The defense issue could provide some fireworks, but it is not likely to get the attention that the economy or "sanctions-busting" receive. The party's left wing has cited the party's recommendation in 1974 to phase out Britain's nuclear capability, but it is well aware that Callaghan is now leaning toward maintaining Britain's nuclear deterrent.//

//The party's anti-marketeers will make their perennial attack on British participation in the European Community. The party has now decided--in a change of policy--that Labor members of Parliament may stand for election to the European Parliament next June, provided they announce their intention to resign from the House of Commons.


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WESTERN EUROPE: Labor

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 //Communist-dominated labor organizations in Portugal, Spain, and France are seeking to enhance their respectability by joining the European Trade Union Confederation, currently a regional grouping of non-Communist trade unions. The Confederation is unlikely to accept the Communist unions very soon.//

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 //A delegation from Portugal's Communist-dominated General Confederation of Workers was in Brussels on Wednesday, and the European Trade Union Confederation's chief official has said that the Portuguese Confederation has decided to seek to join his organization. That prospect deeply troubles Portugal's Socialist labor leaders who, with substantial financial support from West Germany, have been making some progress in creating an organization to rival the Communist-dominated confederation. The latter organization has only observer status in the Soviet-led World Federation of Trade Unions, a fact that could help somewhat in its efforts to join the European Trade Union Confederation.//

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[redacted] //Spain's Communist-dominated labor organization, the Workers Commissions, has also sought to join the European Trade Union Confederation. Spain, however, already is represented in the confederation by two organizations, and--given the strong domestic rivalry for workers' support--neither is likely soon to approve membership for the Workers' Commissions.//

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[redacted] //France's Communist-run General Confederation of Labor is also seeking membership in the non-Communist confederation. The French organization has sought to reduce its long-standing prominent role in the Soviet-led trade union group to enhance its arguments that it is not subject to Soviet control. Two-thirds of the members of the European Trade Union Confederation must approve new members. The British Trades Union Congress supports membership for the French Organization, and Nordic members of the confederation probably would also support membership.//

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[redacted] //A non-Communist French union organization, the Workers' Force, would leave the confederation if the Communist organization were admitted, and the influential West German labor organization has said it will continue to oppose membership for the Communists. British support for the French Communist group also could lessen with the election soon of a replacement for Jack Jones, the principal British proponent of accepting Communist-dominated organizations. [redacted]

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#### BRIEFS

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## Djibouti

25X1 [ ] France is sending 10 to 12 Mirage III-C fighter aircraft to Djibouti to replace 13 US-built F-100 fighters now based there. Four of the Mirages may have already arrived; all are scheduled to be in Djibouti by the end of the year.

25X1 [ ] The French had planned to replace the F-100s with modern Jaguar ground-attack aircraft, but they chose the older Mirages because they eventually will give the aircraft to the Djibouti Self Defense Forces. Even with the aircraft Djibouti will continue to be much weaker militarily than Ethiopia and Somalia--both of which are thought to have designs on the country. [ ]

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## Iraq-USSR

25X1 [ ] The Iraqi Air Force is expected to receive its second and third IL-76 long-range jet transport aircraft this week under a \$98 million contract for an unspecified number of IL-76s signed with the USSR last October. The first IL-76 arrived in August along with 10 Soviet instructors. [ ]

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25X1 [ ] The deliveries to Iraq mark the first known Soviet export of the 9,200-kilometer range IL-76. The planes first went into service with Soviet forces in the mid-1970s. Iraq may have purchased the aircraft to provide more sophisticated logistical support for the substantial number of Mirage F-1 jet fighter aircraft, helicopters, and armored cars it recently acquired from France. Until now Iraq had only 21 medium- and short-range transport aircraft. [ ]

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